

File Number M/037/081

Effective Date \_\_\_\_\_

Other Agency File Number \_\_\_\_\_

**RECEIVED**

MAY 29 2001

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION of OIL, GAS and MINING  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

DIVISION OF  
OIL, GAS AND MINING

RECLAMATION CONTRACT  
---ooOoo---

*Contract never  
Completed -  
SITKA surety replaced  
8/6/01  
new contract  
submitted 8/10/01*

For the purpose of this RECLAMATION CONTRACT the terms below are defined  
as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/037/081  
(Mineral Mined) Limestone

"MINE LOCATION":  
(Name of Mine) Lime Ridge  
(Description) 11 Miles West of Bluff, Utah

"DISTURBED AREA":  
(Disturbed Acres) 11.5  
(Legal Description) (refer to Attachment "A")

"OPERATOR":  
(Company or Name) Holliday Construction, Inc.  
(Address) 700 East Brown Canyon Road  
P.O. Box 502  
Blanding, Utah 84511  
(Phone) (435) 678-2028

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

Travis L. Bowen, P.C.

175 South West Temple, Suite 710

Salt Lake City, UT 84147

(801) 364-0123

"OPERATOR'S OFFICER(S)":

Jerry Holliday, President

Taylor Holliday, Vice President

Jason Holliday, Secretary

"SURETY":

(Form of Surety - Attachment B)

Certificate of Deposit - 3 each

Surety held by SITLA

"SURETY COMPANY":

(Name, Policy or Acct. No.)

First Security Bank - - \$2,000

First Security Bank - - \$34,000

First Western Natl Bank - - \$21,500

"SURETY AMOUNT":

(Escalated Dollars)

\$57,500 (DOCM estimate \$50,600 - remainder

\$6,900 for SITLA Rental & Royalties)

"ESCALATION YEAR":

2005

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Holliday Construction, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/081 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated November 1, 1999, and the original Reclamation Plan dated November 1, 1999. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Holliday Construction, Inc.  
Operator Name

By Jerry Holliday  
Authorized Officer (Typed or Printed)

President  
Authorized Officer - Position

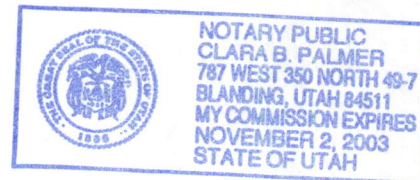
Jerry Holliday  
Officer's Signature

5-25-01  
Date

STATE OF Utah)  
) ss:  
COUNTY OF San Juan)

On the 25 day of May, 20 01, Jerry Holliday  
personally appeared before me, who being by me duly sworn did say that he/she is the  
President of Holliday Construction, Inc. and duly  
acknowledged that said instrument was signed on behalf of said company by authority  
of its bylaws or a resolution of its board of directors and said Jerry Holliday  
duly acknowledged to me that said company executed the same.

Clara B. Palmer  
Notary Public  
Residing at Blanding  
11-2-03



My Commission Expires:



DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
Lowell P. Braxton, Director

\_\_\_\_\_ Date

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss:

On the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_, \_\_\_\_\_  
personally appeared before me, who being duly sworn did say that he/she, the said \_\_\_\_\_  
\_\_\_\_\_ is the Director of the Division of Oil, Gas and  
Mining, Department of Natural Resources, State of Utah, and he/she duly acknowl-  
edged to me that he/she executed the foregoing document by authority of law on behalf  
of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

## ATTACHMENT "A"

Holliday Construction, Inc.  
Operator

Lime Ridge  
Mine Name

M/037/081  
Permit Number

San Juan County, Utah

### The legal description of lands to be disturbed is:

Approximately 11.5 acres within  
NW1/4 NW1/4, Section 16, Township 41 South, Range 20 East, SLBM

Land leased from State of Utah, ML-45960

First Security Bank of Utah, N.A.

Office <sup>Blanking</sup>

Date: 01/03/1994 Amount:

Owner(s): UTAH DIVISION OF STATE LANDS &  
FORESTRY OR JERRY HOLLIDAY CONST

Type of Account: 2,000.00 MONEY MASTER INSURED TIME DEPOSIT ACCOUNT - Fixed Rate

Term: 12 Months Maturity Date: 01/03/1995 Automatic Renewal: 3.250

Interest Rate: 3.290 Frequency of Rate Change: Frequency of Interest Payment:

Interest Payment Method: Quarterly Opened By: depositing to the account

This is a receipt for funds you have placed on deposit with First Security Bank. It is not a certificate of deposit and need not be presented when you wish to withdraw funds from your account. Your account is subject to the terms stated above and to the following conditions.

clara palmer

**ACCOUNT CONDITIONS**

- The account is not transferable except on the books of First Security Bank.
- The account is a time deposit subject to all applicable rules and regulations of the Board of Governors of the Federal Reserve System and of First Security Bank.
- XX • The account is insured by the Federal Deposit Insurance Corporation (FDIC).
- The account is payable only to the registered account owner(s) upon proper identification acceptable to First Security Bank.
- If the account is owned by multiple original payees (i.e. joint owners) consisting of two or more natural persons, they shall hold the account with right of survivorship. The deposit (together with interest) is payable to any one of them during their joint lives. Each owner, acting alone, can withdraw or transfer funds from the account or can effectively terminate the account by withdrawing all or substantially all of the funds and depositing the same in a new account which omits the name of one of the owners. Upon the death of any of the owners, all of the right, title and interest to the account shall vest absolutely in the survivor or survivors, subject to all applicable tax statutes and regulations. Each of such persons shall be the agent of the other to give or receive any notice provided for herein or to take any other action pertaining to the account.
- If the account is opened with the added conditions of "payable on death" ("POD") to one or more persons, ownership of the account shall vest in the POD payee or payees only upon the death of all of the original payees and shall be otherwise governed by applicable statutes.
- If funds are withdrawn from the account prior to maturity, Federal law and regulation and/or First Security Bank policy require an early withdrawal penalty, unless the withdrawal is due to death or incompetency of an owner. If the account automatically renews, the owner(s) may withdraw all or part of the balance of the account on any maturity date or within ten (10) days thereafter without penalty. The penalty is at the simple interest rate being paid on the account at the time of withdrawal and applies regardless of the length of time the funds have remained on deposit. The penalty is in terms of interest on the amount withdrawn and may require reduction in the principal sum of the account. The penalty for early withdrawal of the account is as follows:

Seven to 31 days maturity:

All interest earned to date of withdrawal, or all interest that could have been earned for one-half the maturity period, whichever is greater.

32 days to 12 months maturity:

One month's interest earned or that could have been earned.

More than 12 months maturity:

Three months' interest earned or that could have been earned.



First Security Bank, N.A.

Office: Blanding Branch

Date: 11092000

Account Number:

Owner(s): JERRY HOLLIDAY CONSTRUCTION INC AND UTAH  
SCHOOL & INSTITUTIONAL TRUST LANDS ADMIN

You have deposited \$ 34,000.00 into a First Security Bank MONEY MASTER CERTIFICATE-Fixed Rate

for a term of 12 MONTHS

with a maturity date of

The interest rate is 6.590 % with an

annual percentage yield of 6.750 %

compounded QUANTERLY

, paid QUANTERLY

, by depositing to the account

Thank you for opening a Time Deposit Account with First Security Bank.

Opened by: Carol Pionke

This is a receipt for funds you have placed on deposit with First Security Bank. It need not be presented when you wish to withdraw funds from your account. Your account is subject to the terms stated above and to the following conditions. The terms "we", "our" and "us" mean First Security Bank.

**SPECIFIC ACCOUNT CONDITIONS**☒ **Money Master Insured Certificate of Deposit Account - Fixed Rate**

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new interest rate and annual percentage yield may be assigned when the deposit renews, which will remain fixed until the next maturity date. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits to this account are not permitted except at maturity.

☐ **Money Master Insured Certificate of Deposit Account - Variable Rate**

- The interest rate and annual percentage yield on this account may change at any time at our discretion.
- The term of this account may range from two (2) months to five (5) years. The specific term you have chosen is disclosed above.
- This account will automatically renew at maturity for an additional like term. A new, variable interest rate and annual percentage yield may be assigned when the deposit renews. You will have ten (10) calendar days after maturity to withdraw funds without penalty. If you choose to close the account during this ten-day grace period, you will forfeit any interest that would have otherwise been accruing since maturity at the new interest rate/annual percentage yield.
- A deposit of at least \$500 is required to open this account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than \$500.
- Additional deposits of at least \$100 may be made to this account at any time. Deposits by an automatic transfer from a First Security Bank checking or savings account may be made in any amount.

☐ **Special Day Certificate of Deposit Account**

- The interest rate and annual percentage yield on this account will remain fixed until maturity.
- The term of this account may range from fourteen (14) days to five (5) years. The specific term you have chosen is disclosed above.
- This account will not automatically renew at maturity. If you do not renew the account, your deposit will be placed in a non-interest earning account. No interest will be paid after final maturity.
- A deposit of at least \$500 is required to open this account unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a deposit of at least \$10,000 is required to open the account.
- A daily balance of at least \$500 is required to obtain the disclosed annual percentage yield unless the maturity is between fourteen (14) and sixty-two (62) days, in which case a daily balance of at least \$10,000 is required to obtain the disclosed annual percentage yield. No interest will be paid on any day your account balance is less than this minimum balance requirement.
- Additional deposits to this account are not permitted.

# DEBIT

FIRST SECURITY BANK  
GENERAL LEDGER

Certificate of Deposit Account Withdra

DATE	OFFICE NO.	DEPT.	PREPARED BY (Type or print name)	EMPLOYEE NO. (S)	APPROVED BY
	036	00	C. Pionke	37287	CP
RESERVED BY (Signature of owner)			ACCOUNT NAME (Please print or type)		
<i>Jerry Holliday</i>			Jerry Holliday Const. & Utr School & Inst. Land		
BANK USE			CONTRA		
<input type="checkbox"/> CLOSE WITH PENALTY (3311) <input type="checkbox"/> PARTIAL WITH PENALTY (3051) <input type="checkbox"/> CLOSE WITHOUT PENALTY (3314) <input type="checkbox"/> PARTIAL WITHOUT PENALTY (3105) <input type="checkbox"/> OTHER _____ (Describe)			EFFECTIVE DATE		
SERIAL NO.	OFFICE NO.	DEPT.	SIX DIGIT ACCOUNT NO.	GRAND TOTAL AMOUNT	

#

\*

\$

Account Name

JERRY HOLLIDAY CONSTRUCTION INC AND UTAH  
SCHOOL & INSTITUTIONAL TRUST LANDS ADMIN

DEPOSIT INSTRUMENTS OWNED BY THE BELOW SIGNERS ARE LISTED ON THE REVERSE SIDE  
The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

(S) SIGNATURE	X	<i>Jerry Holliday</i>	JERRY P. HOLLIDAY	Name/Title & TIN
	X		DAVID TERRY	
	X		VOID	
	X		VOID	

Number of signatures required for withdrawals: 2

Primary Customer Address: PO BOX 502

City: State: ZIP: Phone:

First fold

James M. McLaughlin  
 William C. Coker

[illegible]



Number:

m/037/081

# CERTIFICATE OF DEPOSIT

<b>DEPOSITOR</b> Jerry Holliday Construction Or Utah Division Of State Lands & Forestry	
<b>ADDRESS</b> P. O. Box 502 Blanding, UT 84511	



Account Number	Number of Signatures Rqd.	Opening Date	Opening Deposit Amount	CIF#	Office/Officer
	1	05/26/94	\$21,500.00		0300 / JDJ
Maturity Date		Interest Rate		Annual Percentage Yield	
05/01/95		3.30% Variable		3.34%	

Depositor (whether one or more persons or entities) has deposited with Bank the amount shown above and has agreed to maintain these funds on deposit with Bank until the stated Maturity Date. The Bank agrees to repay the amount deposited on the stated maturity date and to pay interest at the disclosed rate and on the date(s) provided below.

**A. Renewal.**

- ☐ Present this certificate promptly at maturity for payment. It is not automatically renewable.
- ☒ Upon the Maturity Date, and upon each successive maturity date, this certificate will be automatically renewed for a like term, at the interest rate then offered for new certificates that have the same term, minimum balance (if any), and other features as this original certificate, unless within 10 days after the Maturity Date Bank receives written instructions from Depositor to the contrary, or unless the funds are withdrawn on the Maturity Date. Bank reserves the right not to renew this Certificate on any Maturity Date; in that event, Bank will mail notice of its nonrenewal election to Depositor, at the address shown above, not less than 30 days before the Maturity Date.

**B. Interest.**

- ☐ Interest will not be compounded and will be paid \_\_\_\_\_ by: \_\_\_\_\_
- ☒ Interest earned on this certificate will be compounded quarterly and paid quarterly by: Reinvest In CD
- ☐ Interest earned on this certificate will be paid \_\_\_\_\_ by: \_\_\_\_\_

- C. Penalty for Early Withdrawal/Redemption.** Depositor may not withdraw funds from or redeem this certificate prior to the initial or subsequent maturity dates without the written authorization of the Bank. There will be a substantial interest penalty charged against any early withdrawal or redemption. This penalty will be waived if Depositor dies or is declared incompetent. The penalty will be calculated using the interest rate being paid on the certificate at the time the withdrawal/redemption is made. This penalty may invade principal. The amount of the penalty for this account is ☐ \_\_\_\_\_ days' interest ☐ flat fee of \$ \_\_\_\_\_ ☒ 1.00 % of the amount withdrawn ☐ all the interest you would have earned at maturity.

- D. If the Interest Rate disclosed above is VARIABLE, the Bank reserves the right to change this rate** daily

If the Interest Rate disclosed above is STEPPED, see the Truth in Savings Disclosure (or other account information) for applicable rates.

- E. This Certificate is assignable only when entered on the books of and acknowledged in writing by the Bank, and is subject to Federal laws, rules and regulations governing time deposits, and to the Bank's time deposit rules and regulations. This certificate is nontransferable except on the books of the Bank.**

**F.**

Authorized Signature



1	RECLAMATION SURETY ESTIMATE					
2	Holliday Construction Inc.		last revision	03/23/01		
3	Lime Ridge Mine		filename M037-081.WB2			
4	M/037/081		San Juan County			
5	Prepared by Utah State Division of Oil, Gas & Mining					
6						
7						
16						
17	<b>Note: actual unit costs may vary according to site conditions last unit cost update 08/25/99</b>					
18	-Amount of disturbed area which will receive reclamation treatments =			11.5 acres		
19	-Estimated total disturbed area for this mine =			11.5 acres		
20	<u>Activity</u>	<u>Quantity</u>	<u>Units</u>	<u>\$/unit</u>	<u>\$</u>	<u>Note</u>
21	Safety gates, signs, etc. (mtls & installation)	2	sum	200	400	(1)
29	Placement of overburden into pits - loader	20,000	CY	1.15	23,000	
32						
33	Ripping stockpile & compacted areas	10.0	acre	220	2,200	(9)
34						
35	Ripping pit floors	1.5	acre	220	330	(9)
36						(9)
37	Creating safety berms or barriers around highwalls	940	LF	0.15	141	(10)
41						(11)
42	Surface drainage restoration or construction	750	LF	0.15	113	(10)
43						
46	Topsoil replacement - FE loader	2000	CY	1.15	2,300	
47						
50	Composted manure (15 ton/acre)	11.5	acre	450	5,175	(00)
51	Broadcast seeding	11.5	acre	170	1,955	(00)
	Fertilizing (50 tons/acre phosphorus)	11.5	acre	90	1,035	(00)
54						
55	General site cleanup & trash removal	6.0	acre	50	300	(00)
56						
57	Equipment mobilization	1	equip	1000	1,000	(00)
58						
59	Reclamation Supervision	4	days	372	1,488	(15)
60			Subtotal		39,437	
61	10% Contingency				3,944	
62			Subtotal		\$43,380	
63	Escalate for 5 years at 3.13% per yr				7,227	
64			Total		\$50,608	
65			Rounded surety amount in yr 2005-\$		\$50,600	
66	Average cost per disturbed acre =		\$4,400			

<b>Note</b>	
(1)	DOGM lump sum assumed
(9)	Means 1998 & Rental Rate Blue Book 4/98: Cat D8N, U, multi shank rippers, speed 1.0 mph
(10)	Means 1998 & Rental Rate Blue Book 4/98: Cat D8N, U, mtl 2550 lb/CY, 50 ft push, avg vol 0.5CY/LF-berm
(11)	Contractor's actual costs, 1991 at E/053/012, Cat 225 Excavator, 20 ft wide road
(00)	DOGM general estimate - manure \$16/ton delivered, \$14/acre spreading
(00)	DOGM general estimate - fertilizing
(00)	DOGM general estimate - broadcast seeding
(00)	DOGM general estimate - site cleanup & trash removal
(00)	DOGM general estimate - equipment mobilization
(15)	Means 1998, 010-036-0180, project manager, minimum \$1,815/wk